**Instructions for Personal Financial Literacy Challenge – Deadline March 30.**

The PFL Challenge is on online test. You will have **35 minutes** to take the test. Every member of your **team must take the test within a 3-hour** period of the other members. So set yourselves a window of time for each team to take it. We will try to make sure those of you who have computer class have a day that you can take it in the computer lab. We can also arrange a day for you to stay after school to take the test at the same time**. If all your teammates do NOT take the test within a 3 hour period, you team is disqualified, and your grade will be negatively affected.**

The test covers **Personal Financial Literacy concepts**, most of which we will have covered.

Just do your best, use your **logic and reason,** and **relax**.

Oh, did I mention there are cash prizes for the winning team?

* First place team in Texas wins $75 for each team member and expense paid trip to St. Louis for the national competition.
* Second place team in Texas wins $50 each.

**About the test:**

30 questions

* +10 points for each correct answer
* -5 points for each incorrect answer
* 0 points for no answer
* You are penalized for guessing. If you guess make sure you narrow your selection down to 2 answers.

**What the Test Covers**

**Personal finance** describes the principles and methods that individuals use to acquire and manage income and assets.

**Financial literacy** is the ability to use knowledge and skills to manage one's financial resources effectively for lifetime financial security.

**Financial Responsibility and Decision Making**

**Overall Competency**

Apply reliable information and systematic decision making to personal financial decisions.

Standard 1: Take responsibility for personal financial decisions.  
Standard 2: Find and evaluate financial information from a variety of sources.  
Standard 3: Summarize major consumer protection laws.  
Standard 4: Make financial decisions by systematically considering alternatives and consequences.  
Standard 5: Develop communication strategies for discussing financial issues.  
Standard 6: Control personal information.

**Income and Careers**

**Overall Competency**

Use a career plan to develop personal income potential.

Standard 1: Explore career options.  
Standard 2: Identify sources of personal income.  
Standard 3: Describe factors affecting take-home pay.

**Planning and Money Management**

**Overall Competency**

Organize personal finances and use a budget to manage cash flow.

Standard 1: Develop a plan for spending and saving.  
Standard 2: Develop a system for keeping and using financial records.  
Standard 3: Describe how to use different payment methods.  
Standard 4: Apply consumer skills to purchase decisions.  
Standard 5: Consider charitable giving.  
Standard 6: Develop a personal financial plan.  
Standard 7: Examine the purpose and importance of a will.

**Credit and Debt**

**Overall Competency**

Maintain creditworthiness, borrow at favorable terms, and manage debt.

Standard 1: Identify the costs and benefits of various types of credit.  
Standard 2: Explain the purpose of a credit record and identify borrowers' credit report rights.  
Standard 3: Describe ways to avoid or correct debt problems.  
Standard 4: Summarize major consumer credit laws.

**Risk Management and Insurance**

**Overall Competency**

Use appropriate and cost-effective risk management strategies.

Standard 1: Identify common types of risks and basic risk management methods.  
Standard 2: Explain the purpose and importance of property and liability insurance protection.  
Standard 3: Explain the purpose and importance of health, disability, and life insurance protection.

**Saving and Investing**

**Overall Competency**

Implement a diversified investment strategy that is compatible with personal goals.

Standard 1: Discuss how saving contributes to financial well-being.  
Standard 2: Explain how investing builds wealth and helps meet financial goals.  
Standard 3: Evaluate investment alternatives.  
Standard 4: Describe how to buy and sell investments.  
Standard 5: Explain how taxes affect the rate of return on investments.  
Standard 6: Investigate how agencies that regulate financial markets protect investors.